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SUBJECT: HAITIAN PRIVATE SECTOR AT ODDS OVER PREVAL'S
ELECTION/CONSTITUTIONAL REFORM PROPOSAL

Classified By: Ambassador Janet A. Sanderson, reason 1.5(b) and (d)

¶1. (C) Summary. Haiti's private sector leaders are divided over President Preval's proposal to replace the provisional electoral council (CEP), set a date for senatorial elections, and launch a process which would lead to the drafting of a new constitution. One group of leading businesspeople, including the President of the American Chamber of Commerce, has come out publicly in support of the President. Other business leaders, including long-time Preval critic Andy Apaid, are charging that the proposal will undermine Haiti's fragile stability. Apaid has suggested that the international community put down markers on the importance of immediate senatorial and indirect elections with the currently constituted CEP. Support within the business community will be key for the Preval proposal to move forward; our initial soundings indicate that support is far from universal and that the proposal's opponents are beginning to go public. End Summary.

¶2. (C) Haiti's private sector leaders are divided over President Preval's proposal to replace the provisional electoral council (CEP), set a date for senatorial elections, and launch a process which would lead to the drafting of a new constitution. Private sector support for this initiative is critical to its success. In an address to the nation on the 201st anniversary of Haitian founder Dessalines' assassination, Preval called upon his compatriots to rally around constitutional reform, pledging to continue consultations with all elements of Haitian society. As part of the consultation process, the President subsequently brought in five businessmen for discussions. The five, who included Preval confidants Bernard Fils-Aime (also Amcham president) and Edouard Bussan, eventually joined four other business leaders to issue a statement backing the plan.

¶3. () This statement, purporting to speak for the business community, has led to a serious disagreement among private sector leaders. In a three-hour meeting October 19 attended by 40 or so representatives of the 7 major private sector organizations, including the major Chambers of Commerce, Fils-Aime and others were called to task for making statements without consultations with Haiti's powerful, albeit diffuse, business community. The participants finally agreed to call in Francois Benoit, the business community's representative on the CEP, on Sunday morning, October 21, to discuss the election issue. According to participants, that meeting was agitated although inconclusive, with AmCham President Fils Aime and others allied with Preval strongly

backing the president and others attacking Preval's plan. The session broke up without any public statement.

¶4. (C) Edouard Bassam, a childhood friend of Preval's, told me that he believes that the President is right on target: the constitution needs to be fixed. He predicted that Preval would name a date for the senatorial elections shortly, once a new CEP is selected. He downplayed any idea that the President was "playing politics" with the CEP, arguing that the current members are inept and poorly led. His points have been echoed by Fils-Aime. Other key business leaders supporting Preval's proposal include Carl Braun, UNIBank CEO who went with Preval to New York, and CitiBank country rep Gladys Coupet. Both are close to Preval and have major clout in the business community.

¶5. (C) Industrialist Andy Apaïd, a founding member of the Group of 184, takes the other tack. Apaïd, a long time Preval critic, argues that the president's proposal is putting in jeopardy the very tenuous progress towards stability that the country has made since the departure of Aristide. He believes that the current CEP, however flawed, is capable of holding both senatorial and indirect elections. While he agrees the constitution is problematic, he suggests that the President's unilateral decision to put it aside and draft another one opens a whole new can of worms. He speculated that we may be seeing an emergence of the "old" Preval, the Preval who sought to control the political landscape while president in his first term, and ended up essentially ruling by decree. Apaïd predicted that Preval has only a few weeks to sort this out and get the electoral process back on track before he is faced with broad based opposition representing key elements of Haiti's civil, religious and business establishment. He encouraged the international community to put down markers on

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the need to move forward with elections.

¶6. (C) Apaïd and Magic Radio 90.5 owner Anne Marie Issa, another member of the Group of 184, tell us that they have yet to make any decision on how/when to express their opposition. Apaïd stressed that it was in his interest, as well as all Haitians, to see Preval's presidency succeed in stabilizing Haiti and taking advantage of economic opportunities such as the HOPE legislation (remarking in an aside that he has two U.S. investors looking at Haiti for projects who would not welcome political uncertainty here). However, he and Issa feel strongly that Preval is taking the country in the wrong direction. While contending it was not a political signal, Apaïd revealed that he had just returned from a trip to cities up north where he discussed the Group of 184's Social Contract with civic and religious leaders. None of these leaders professed to support the President's proposal and Apaïd suggested that if the President holds to his plan without modification, serious public opposition would result.

¶7. (C) Comment. Haiti's fractious private sector has rarely - if ever - spoken with one voice. We do not expect it to do so now. Nonetheless, Preval assiduously courted the skeptical business community since his election with some degree of success. He has often told us that he reached out to his critics because he wanted every Haitian to play a role in shaping Haiti's future. Until recently, even adversaries like Apaïd appeared willing to give him the benefit of the doubt, if not their outright support. That "marge de manoeuvre" may well now be over and Apaïd is disingenuous to believe that the timing of his trip north would be seen by Preval as anything less than a shot across the bow. As these comments make clear, there is as of yet no consensus emerging on Preval's proposed electoral changes and constitutional reforms, a consensus Preval claims is a prerequisite to moving forward. The President, however, continues to work the room.

SANDERSON